A levy on capital is, of course, merely a variation of the tax on property, which has long existed in the United States, and had been resorted to before now by Governments, of which the German Government is a leading example, in order to provide funds for a special emergency. This it can very easily do as long as the levy is not too high. If, for example, you tax a man to the extent of 1 per cent. to 2 per cent. of the value of his property, on which he may be earning an average of 5 to 6 per cent. in interest, then the levy on capital becomes merely a form of income tax, assessed not according to the income of the taxpayer but according to the alleged value of his property. It is thus, again, a variation of the system long adopted in this country of a special rate of income tax on what is called "unearned" income, *i.e.* income from invested property. But it is only when one begins to adopt the broadminded views lately fashionable of the possibilities of a levy on capital and to talk of taking, say, 20 per cent. of the value of a man's property from him in the course of a year, that it becomes evident that he cannot be expected to pay anything like this sum, in cash, unless either a market is somehow provided—which seems difficult if all property owners at once are to be mulcted of a larger amount than their incomes—or unless the Government is prepared to accept part at least of the levy in the shape of

property handed over at a valuation.

Before, however, we come to deal in detail with the difficulties and drawbacks of the suggestion, it may be interesting to trace the history of the movement